GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:956
ANSWERED ON:29.04.2016
Merger of NSEL-FTIL
Somaiya Dr. Kirit

Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) the present status of merger of National Stock Exchange Limited (NSEL) and Financial Technologies India Limited (FTIL);

(b) whether the Government has received a numbers of objections on NSEL-FTIL merger, if so, the details thereof;

(c) whether various stakeholders have opposed the said merger, if so, the details thereof;

(d) whether the people's representatives and others have also represented to the Ministry to initiate action against the persons behind such objections, if so, the details thereof; and

(e) the action taken by the Government in this regard?

Answer

THE MINISTER OF CORPORATE AFFAIRS (SHRI ARUN JAITLEY)

(a) The Ministry has issued the Final Order on 12.02.2016 for amalgamation of National Spot Exchange Limited (NSEL) with Financial Technologies (India) Ltd. (FTIL) under Section 396 of the Companies Act, 1956. However, the same has been kept in abeyance pursuant to Orders of the Hon'ble High Court of Bombay.

(b) & (c) A total of 50,389 representations (physical papers as well as emails) were received during March, 2015 to October, 2015 in response to the public notice issued by the Ministry of Corporate Affairs, in compliance of provisions of section 396(4)(b) of the Companies Act, 1956. The profile of the authors of these representations, together with their dispositions in respect of the merger proceedings given in Annexure −I.

(d) & (e) Yes, Madam. Representations have been received asking for early action against the persons responsible in the matter. Other than the Ministry of Corporate Affairs, the Economic Offences Wing (EOW) of Mumbai Police and the Directorate of Enforcement (ED) are also investigating the matter. Properties valued at Rs. 5757 crores (approx.) of the accused have been attached by EOW while 32 common properties valued at Rs. 740 crore (by ED) and Rs. 1222.89 crore (by EOW) have been attached. Further, directions have also been given to the Securities and Exchange Board of India to examine and take necessary action against the defaulting brokers.

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